

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Duke Energy Carolinas, LLC
for Authority to Adjust and Increase Its
Electric Rates and Charges

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2009 - 226 - E

(Please type or print)

Submitted by: Catherine E. Heigel

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other: Late-Filed Exhibits

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certificatio
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input checked="" type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-226-E

In the Matter of:

Application of Duke Energy Carolinas,
LLC for Authority to Adjust and Increase
its Electric Rates and Charges

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this 11th day of December 2009, Duke Energy Carolinas, LLC's **Late-Filed Exhibits** via electronic mail to the persons named below at the addresses set forth:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

Shealy Boland Reibold
Office of Regulatory Staff
1401 Main Street, Suite 900
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Shannon Bowyer Hudson
Office of Regulatory Staff
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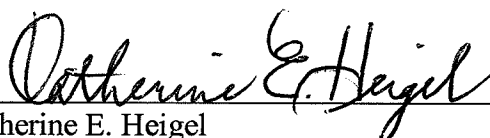
Scott A. Elliott
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205

J. Blanding Holman, IV
Southern Environmental Law Center
P.O. Box 609
Charleston, SC 29402

Gudrun Thompson
Southern Environmental Law Center
P.O. Box 609
Charleston, SC 29402

Rolf Baghdady
The S.C. Green Party
118 Cobblestone Court
Chapin, SC 29036

This 11th day of December 2009.


Catherine E. Heigel
Associate General Counsel
Duke Energy Carolinas, LLC
526 S. Church Street, EC03T
Charlotte, North Carolina 28202

Duke Energy Carolinas, LLC
Docket No. 2009-226-E
Late-filed Hearing Exhibit No. 4

	Duke Energy Carolinas	Duke Energy Business Services	Total
2009 Payroll Information			
Total employees	7,747	7,541	15,288
Employees who received wage increases in 2009	4,533	2,547	7,080
Percent of employees receiving raises	59%	34%	46%
Total annualized Employee Wages (In '000's)	\$ 546,546	\$ 572,683	\$ 1,119,229
Total wages of employees who received increases in 2009	\$ 284,046	\$ 148,770	\$ 432,816
Percent of wages of employees receiving raises	52%	26%	39%
2009 wage increases as a percent of total wages	1.68%	0.99%	1.33%

Duke Energy Carolinas, LLC
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Late-filed Hearing Exhibit No. 5

How much (in \$) has been included in test year to comply with FERC/NERC/SERC reliability standards?

During 2008, approximately \$2.3 million of incremental operating costs were spent, of which approximately \$0.4 million was allocated to the South Carolina retail cost of service.

There was an additional \$0.6 million of incremental capital costs charged to construction work in progress during 2008. These projects have not been closed to plant in service, as a result no dollars related to the capital costs were allocated to the South Carolina retail cost of service.

Duke Energy Carolinas, LLC
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<u>Line No.</u>		<u>Average Residential</u> (a)	<u>Average Commercial</u> (b)	<u>Average Industrial</u> (c)	<u>Average Total Retail</u> (d)	<u>Typical Monthly Residential Bill Based on 1000 kWh per Month</u> (e)
		Cents/kWh				
1	New York City (Long Island Power Authority)	19.85	18.07	14.39	17.83	\$200.99
2	Phoenix (Arizona Public Service Company)	10.88	9.58	7.91	10.07	\$105.20
3	Detroit (Detroit Edison Company)	11.14	9.27	6.83	9.21	\$120.07
4	Las Vegas (Nevada Power Company)	11.77	10.02	8.82	10.32	\$115.29
5	Atlanta (Georgia Power Company)	10.24	8.99	6.86	8.80	\$94.13
6	San Diego (San Diego Gas & Electric Company)	15.83	14.68	12.10	14.52	\$237.72
7	Duke Energy Carolinas - SC	7.89	6.76	4.57	6.18	\$83.22

Source:

⁽¹⁾ EEI Typical Bills and Average Rates Report for 2008

Duke Energy Carolinas, LLC
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Line No.	Average Residential	Average Commercial	Average Industrial	Average Total Retail	Typical Monthly Residential Bill Based on 1000 kWh per Month
	(a)	(b)	(c)	(d)	(e)
	Cents/kWh				
1 Duke Energy Carolinas ⁽¹⁾	7.89	6.76	4.57	6.18	\$83.22
2 South Carolina Electric & Gas ⁽¹⁾	10.83	8.57	5.68	8.57	\$113.28
3 Progress Energy Carolinas ⁽¹⁾	9.62	8.69	6.12	8.02	\$101.52
4 South Atlantic Region ⁽¹⁾	10.53	8.81	5.85	8.94	\$109.39
5 United States ⁽¹⁾	11.52	10.06	6.66	9.77	\$116.83
Duke Energy Carolinas Average South Carolina Rates are BELOW the Average Rates of:					
6 South Carolina Electric & Gas	27%	21%	20%	28%	
7 Progress Energy Carolinas	18%	22%	25%	23%	
8 The South Atlantic Region	25%	23%	22%	31%	
9 The United States	32%	33%	31%	37%	
Settlement Proposed Average Increases INCLUDING Coal Inventory, Pension Expense, Nuclear Insurance, and DSM Riders					
10 Excluding EE Rider ⁽²⁾	7.0%	2.9%	-5.9%	1.7%	\$89.05
11 Including EE Rider ⁽³⁾	9.2%	3.9%	-4.9%	3.1%	\$90.88
Settlement Proposed Average Increases EXCLUDING Coal Inventory, Pension Expense, Nuclear Insurance, and DSM Riders					
12 Excluding EE Rider ⁽⁴⁾	9.3%	5.5%	-0.1%	5.2%	\$90.96
13 Including EE Rider ⁽⁵⁾	11.5%	6.5%	0.9%	6.6%	\$92.79
Note that even with the proposed increases shown on lines 10-13, Duke Energy Carolinas' average rates and typical residential bill amounts will still be below the 2008 average rates and typical residential bill amounts for South Carolina Electric & Gas, Progress Energy Carolinas, the South Atlantic Region, and the United States for all customer classes and in total.					

Sources:

⁽¹⁾ EEI Typical Bills and Average Rates Report for 2008

⁽²⁾ Shrum Settlement Testimony, Page 6, Table, Sum of Columns Titled "General Rate Increase", "Coal Inventory and Pension Expense Riders", and "DSM and Nuclear Insurance Credits". Also, Settlement Agreement, Attachment B, Page 1 of 2, Column (i).

⁽³⁾ Shrum Settlement Testimony, Page 6, Table, Column Titled "Overall Change".

⁽⁴⁾ Shrum Settlement Testimony, Page 6, Table, Column Titled "General Rate Increase". Also, Settlement Agreement, Attachment B, Page 1 of 2, Column Titled "Percent Increase".

⁽⁵⁾ Shrum Settlement Testimony, Page 6, Table, Sum of Columns Titled "General Rate Increase" and "Energy Efficiency Rider".

⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Typical Monthly Residential Bill Based on 1000 kWh per Month is calculated as Line 1, Column (e) times the Average Residential Increase in Column (a) on Lines 10-13.

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Line #	Source	Impact of taxes using weighted average methodology (Column A)			Impact of taxes using South Carolina only methodology (Column B)			Difference =B-A
		State Tax Rate	Tax Apportionment	Weighted Average	State Tax Rate	Tax Apportionment	Weighted Average	
1	State income taxes							
2	South Carolina	Proforma: SD-0107	5.0%	24.087%	1.2044%	5.0%	100.000%	5.00%
3	North Carolina	Proforma: SD-0107	6.9%	75.655%	5.2202%	0.0%	0.000%	0.00%
4	Average state rate			6.4246%			5.00%	
5								
6	Federal income tax rate	Proforma: SD-0107		35.0000%			35.00%	
7								
8	Statutory income tax rate	L4 + L6		39.1760%			38.2500%	-0.9260%
9								
10								
11	Calculation of impact on income tax expense							
12	After tax equity return from Sharon Scott Direct Testimony	Audit Exhibit SGS-7		\$ 181,112			\$ 181,112	
13	Tax grossup revenue requirement (Excluding gross receipts tax)	1 - L8		60.8240%			61.7500%	
14	Revenue impact to income taxes as result of using SC tax rate only	L12 / L13		\$ 297,764			\$ 293,299	<u>\$ (4,465)</u>
15								
16								
17	Calculation of impact on Accumulated Deferred Income Taxes (ADIT)							
18	ADIT per settlement agreement	Col A: Settlement Attachment A - L20		\$ (673,622)			\$ (657,700)	\$ 15,922
19	Pretax deferred tax impact	Col B: L19 * L8						
20	Ratebase revenue requirement (excluding gross receipts)	Col A: L18 / L8 (Col B = Col A)		\$ (1,719,477)			\$ (1,719,477)	
21	Revenue impact due to Accumulated Deferred Income Taxes	Pretax Revenue requirement (Using SC tax rate)						11.920%
22		L18 * L20						<u>\$ 1,898</u>
23								
24	Calculation of impact of property tax rate differences							
25	Total property taxes assigned to SC retail per settlement	Col A: Cost of Service		\$ 44,543			\$ 64,916	<u>\$ 20,373</u>
26	Gross Electric plant per settlement agreement	Col B: L26 * L27						
27	Average property tax rate	Col A: Settlement Attachment A - L14		\$ 5,903,323			\$ 5,903,323	
28	Cumulative benefit to SC customers as a result of using blended rates	Col B: Col A						
29		Col A: L25 / L26		0.7545%			1.0996%	
30		Col B: State property tax rate (SD-0901)						
31		L14 + L21 + L25						<u>\$ 17,806</u>
32								

Note: Duke Energy Carolinas, LLC maintains only one set of accounts for its electric operations in both North and South Carolina. By state law, taxable income is determined for the entire Company and then apportioned to each state according to each state's proportion of gross receipts to total gross receipts. A separate calculation of taxable income earned in each state is not performed for tax purposes.